

**EXHIBIT I**

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**BIRMINGHAM RETURN PREPARERS SENTENCED IN FALSE TAX RETURN SCHEME**

BIRMINGHAM, AL - Alice H. Martin, United States Attorney for the Northern District of Alabama and James D. Vickery, Special Agent in Charge, Internal Revenue Service, Criminal Investigations, announce that BRENDA L. SPAHN, 55, and her daughter, MELINDA MEGAHEE, 28, of Birmingham, Alabama, were sentenced last week on charges of assisting in the preparation of false income tax returns. The two were sentenced by United States District Judge Robert B. Propst to 3 years' probation with 6 months' home detention, and were ordered to be responsible for back taxes which may be due. SPAHN and MEGAHEE were convicted on these charges on February 26, 2004.

According to U.S. Attorney Alice H. Martin, SPAHN operated a tax return preparation business, Tax Max, Inc., a Jackson Hewitt franchise, with many locations in the Birmingham, Alabama area. During the tax years 1999, 2000, and 2001, SPAHN knowingly prepared false returns for some of her clients. The returns were false in various material ways. SPAHN would purposefully increase deductions and filing status to create inflated refunds for tax clients. The IRS documented SPAHN prepared false tax returns resulting in a tax harm of about \$19,000.

MEGAHEE was employed at Tax Max, Inc. During the tax years 2000 and 2001, MEGAHEE knowingly prepared false returns for some of her clients. The returns were false in various material ways. MEGAHEE would purposefully increase deductions and filing status to create inflated refunds for tax clients. The IRS documented MEGAHEE prepared false tax returns resulting in a tax harm of about \$11,000.

SPAHN and MEGAHEE also agreed to sell their return preparation franchise business and refrain from the tax return business altogether. They put up a \$125,000 bond for taxes which may come due.

"The general public relies on the expertise of income tax return preparers to perform their duties honestly and competently. Unfortunately, there are a few return preparers who do not perform their tasks

honestly. We will seek out and prosecute those who do not. But ultimately, it is the taxpayer whose false tax return is filed, that is held responsible for any additional taxes found to be due and owing,” said U.S. Attorney Alice H. Martin.

This case was investigated by Special Agents of the Internal Revenue Service, Criminal Investigations. Assistant United States Attorney Ronald R. Brunson prosecuted the case.

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